

Finding Of No Significant Impact (FONSI)

Name and number of environmental assessment: Environmental Assessment for the Aguila Ventures LLC Rambo Mine Project south of Aguila, Arizona, DOI-BLM-AZ-P010-2011-024-EA

Bureau of Land Management office: Hassayampa Field Office

Finding of no significant impact: I have reviewed the environmental assessment and have determined that there are no significant impacts on the human environment. No environmental effects meet the definition of significance in context or intensity, as defined at 40 CFR 1508.27. Therefore, an environmental impact statement (EIS) is not required.

Recommendation: APPROVE MINING PLAN OF OPERATIONS AZA-35358 TO ALLOW AGUILA VENTURES LLC TO DRILL 10 MINERAL EXPLORATION CORE HOLES WHICH WILL VARY FROM 50 FEET TO 150 FEET IN LENGTH AND WILL BE DRILLED AT AN ANGLE TO THE SURFACE OF THE DRILL PAD. THE PROPOSED ACTION IS DESCRIBED IN DETAIL IN THE AGUILA PROJECT PLAN OF OPERATIONS, A COPY OF WHICH IS LOCATED IN THE AZA-35358 CASE FILE.

Stipulations: THE RECOMMENDED MITIGATION MEASURES ARE: 1) AGUILA VENTURES LLC MUST OBTAIN ALL PERTINENT FEDERAL, STATE AND LOCAL PERMITS BEFORE BEGINNING OPERATIONS; 2) AGUILA VENTURES LLC MUST FENCE ANY PITS USED IN THE DRILLING OPERATION WITH 1-2 INCH MESH FENCING MATERIALS OR THE PITS MUST HAVE SLOPED SIDES TO PREVENT TORTOISE FROM BECOMING ENTRAPPED IN THE PITS; 3) AGUILA VENTURES LLC MUST FOLLOW THE ARIZONA GAME AND FISH “GUIDELINES FOR HANDLING SONORAN DESERT TORTOISES ENCOUNTERED ON DEVELOPMENT PROJECTS”; 4) ANY GATES ENCOUNTERED ALONG EXISTING ROADS MUST BE LEFT IN THE CONDITION IN WHICH THEY ARE FOUND. IF CLOSED THEY ARE TO BE CLOSED AFTER PASSING AND OPEN GATES ARE TO BE LEFT OPEN AFTER PASSING; 5) AGUILA VENTURES LLC MUST RECLAIM ALL NEWLY DISTURBED LAND TO THE SATISFACTION OF THE BLM AND PLUG AND ABANDON ALL DRILL HOLES IN ACCORDANCE WITH THE ARIZONA DEPARTMENT OF WATER RESOURCES REGULATIONS; 6) AGUILA VENTURES LLC MUST ERECT AND MAINTAIN FENCING OR OTHERWISE SECURE ANY OPEN PITS FOR THE SAFETY AND PROTECTION OF HUMAN LIFE, WILDLIFE, AND LIVESTOCK; 7) AGUILA VENTURES LLC MUST POST A RECLAMATION BOND IN AN AMOUNT SUFFICIENT TO RECLAIM ALL NEW DISTURBANCE AND THE PLUGGING AND ABANDONMENT OF ALL DRILL HOLES.

Rationale: APPROVAL OF THE PLAN OF OPERATIONS IS IN CONFORMANCE WITH THE BRADSHAW-HARQUAHALA RESOURCE MANAGEMENT PLAN, 2010. THIS ACTION IS ALSO CONSISTENT WITH 43 CFR §3809.11(C)(1) WHICH REQUIRES THAT A PLAN OF OPERATIONS BE SUBMITTED AND APPROVED BEFORE BEGINNING OPERATIONS IN DESIGNATED AREAS OF CRITICAL ENVIRONMENTAL CONCERN. THIS PROPOSED ACTION HAS BEEN REVIEWED TO DETERMINE IF IT CONFORMS TO THE LAND USE PLAN TERMS AND CONDITIONS AS REQUIRED BY 43 CFR 1610.5.

Responsible Officials:

Recommendation of finding:

Michael Rice
Geologist

Date 12/28/2010

Approval of finding:

Steven Cohn (signed by Rem Hawes)
Field Manager
Hassayampa Field Office

Date 12/30/2010

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT, ARIZONA
HASSAYAMPA FIELD OFFICE

EA#: DOI-BLM-AZ-P010-2011-024-EA

Proponent: Aguila Ventures, LLC

Project Name: Rambo Mine Exploration Drilling Project

BLM Contact Person: Michael Rice, Geologist

Aguila Ventures, LLC Contact Person: Chris Anderson, President

Legal Description and Map Name: The Proposed Action would occur at the old Copper Belt Mine site in T. 5 N., R.10 W., NE¼ of section 17, about 10 miles southwest of Aguila, Maricopa County, Arizona as shown in the 43 CFR 3809 Rambo Exploration Project Plan of Operations (AZA-35358), dated April 6, 2010. The project location is within the BLM Harquahala Mountains Area of Critical Environmental Concern (ACEC)

The proponent, Aguila Ventures, LLC leases two lode claims covering existing tailings and adits, as described below. The BLM Serial Number for these lode claims where disturbance will occur are:

Redbird #2 - AMC 36704, within Township 5 North, Range 10 West, NE ¼ of Section 17; and
Royal Crow #3 - AMC 362713, within Township 5 North, Range 10 West, NE ¼ of Section 17

The claims are accessed via Eagle Eye Road, a public paved roadway, thence to a dirt road that is sporadically maintained.

I. PURPOSE AND NEED

Background: The site of the Proposed Action is northwest of Eagle Eye Road approximately 10 miles southwest of Aguila, Arizona within the Harquahala Mountains (see Figures 1 and 2). The elevation ranges from about 2420 to 2880 feet above mean sea level (ASL).

As documented in the archaeological report for this project (SAGE 2010), the project area has historically been referred to as part of the Copper Belt mine, also known as the Old Nevada, Old Blue Belt, Gold Belt, and Tri-Metals Group mine. According to records on file at the Arizona Mine and Mineral Museum, the property was located for mineral exploration prior to 1910, but the first written records available date to 1939. No record of the original owner(s) of the mining rights was identified, but it was later held by the Tri-Metal Mining Company, the Nevada Corporation, and Ray Hudson. Mr. Hudson subsequently leased the property to the Jim and Bob Mining Company (Bob White and Jim McEwon); Mr. White is the current lease holder.

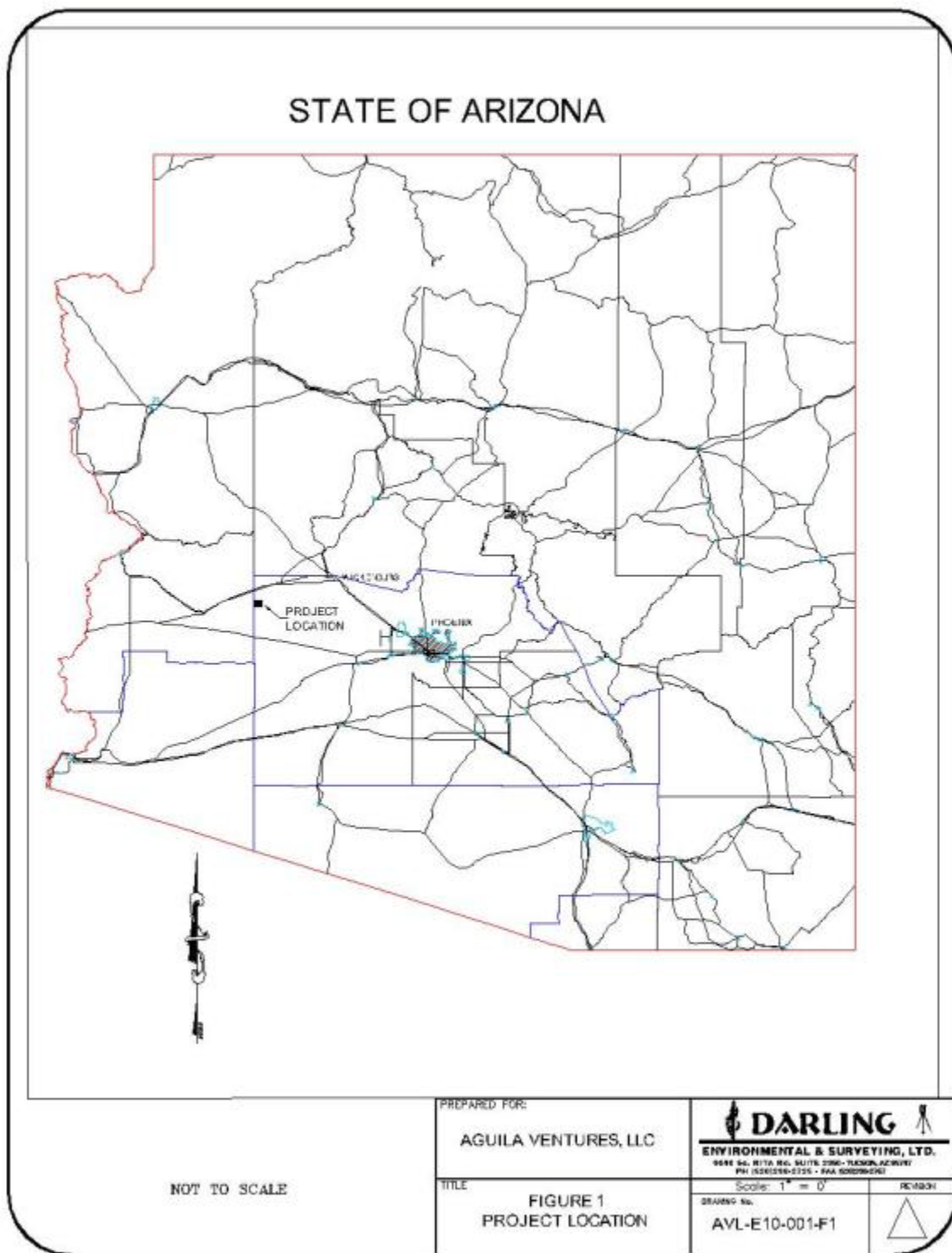


Figure 1. Project Location

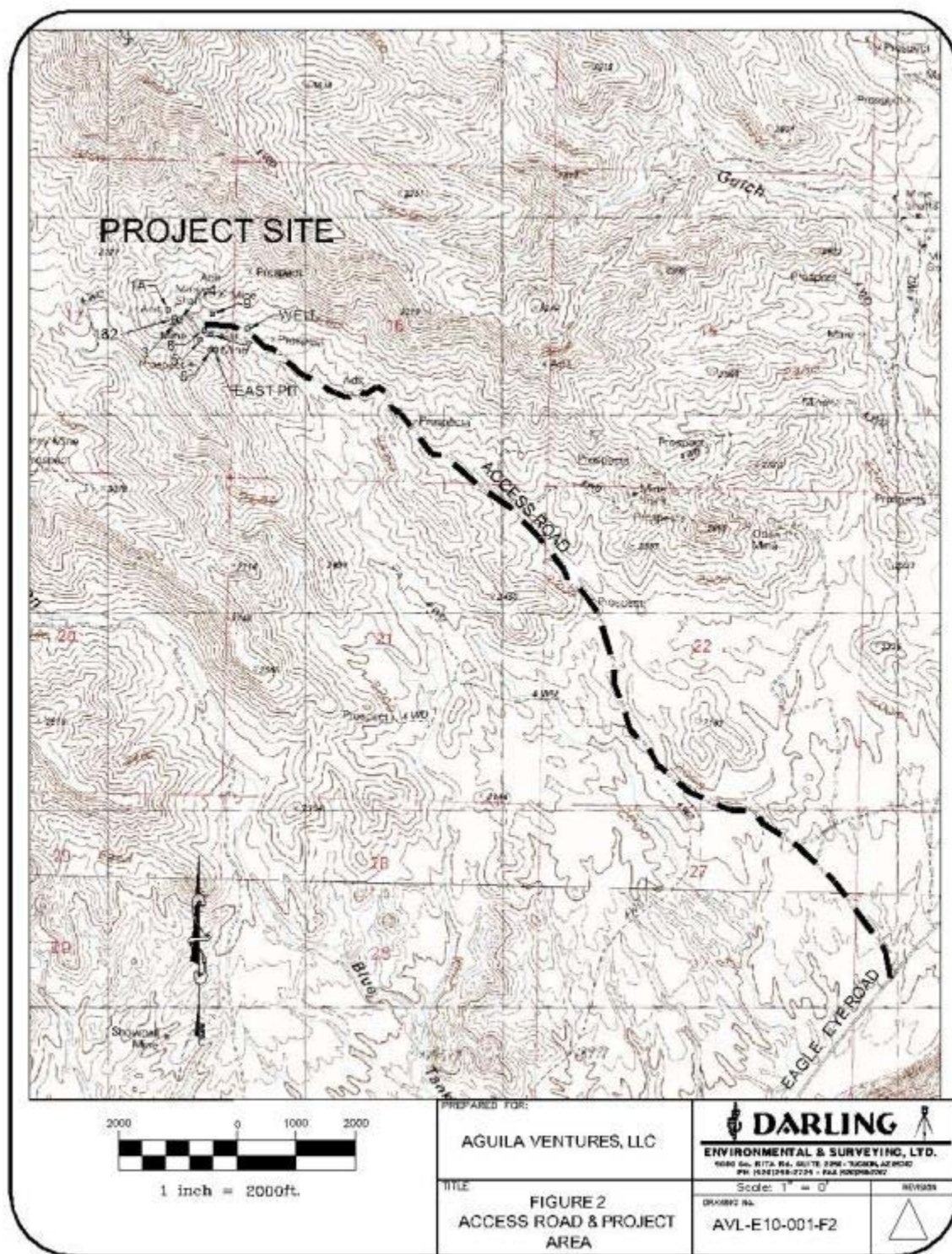


Figure 2. Project Access Road and Site Topography

The purpose of the action is for Aguila Ventures LLC to: 1) conduct mineral exploration drilling at up to 8 drill pad locations, to analyze for the presence of precious metals within previously mined areas shown in the Plan of Operations; and 2) reclaim the site after drilling.

The need for the action is established by BLM's responsibility under the Federal Land Policy Management Act (FLPMA) and the 1872 Mining Law to respond to submissions of Plans of Operation pursuant to the regulations at 43 CFR 3809.

This Environmental Assessment (EA) has been prepared pursuant to section 102(2)(C) of the National Environmental Policy Act (NEPA), and in accordance with 40 CFR 1508.9, to assess the potential environmental impacts of the proposed exploration drilling. Based on this evaluation of alternatives and potential impacts, the Bureau of Land Management (BLM) will make a decision determining whether or not to approve of a plan of operations for the proposed exploration drilling. *Conformance with Land Use Plan: **The proposed action conforms to the final Resource Management Plan (RMP) for the Bradshaw-Harquahala RMP, Record of Decision issued in April 2010. The specific decisions relevant to which this proposed action are:***

- MI-3 – All public lands within the planning area are open to locatable mineral activities except for the Tule Creek ACEC, legislatively withdrawn areas and other withdrawn and segregated areas.

The proposed action is within the Harquahala Mountains Area of Critical Environmental Concern (ACEC), an area designated for special management due to important wildlife habitat, riparian areas, and cultural resources. However, the proposed action does not conflict with any of the Desired Future Conditions or management actions associated with the Harquahala Mountains ACEC.

Relationship to Statutes, Regulations or Other Plans or Policies: The BLM decision only authorizes use of BLM land. Use of non-BLM land (e.g., private land, National Forest, State Trust land) is subject to the agency or private landowners' permission. Public lands in the area are subject to the current Threatened & Endangered Species protocol and the Arizona Standards for Rangeland Health and Guidelines for Grazing Administration, approved June 1999. The regulations at 43 CFR 3715.5 require that Aguila Venture LLCs use and occupancy of the site conform to all applicable federal and state environmental standards. The regulations at 43 CFR 3809.420(a) (6) require that Aguila Venture LLC must conduct all operations in a manner that complies with all pertinent Federal and state laws. BLM's authorization of the Proposed Action would include the requirement that Aguila Venture LLC comply with the 43 CFR 3715 and 43 CFR 3809 regulations.

II. THE PROPOSED ACTION AND ALTERNATIVES

Description of the Proposed Action: The Proposed Action consists of drilling up to nine (9) drill holes on up to eight (8) drill pad locations in areas with old mine workings and associated roadbeds that are previously disturbed (Figure 3). The total proposed redisturbance of the area is less than 0.5 acres of public land at the old Copper Belt Mine site. Brushing of the road would be done to the extent necessary only to maintain the road width to assure safe ingress and egress of the drill rig and other work vehicles. No widening and no cut or fill or change of the base road grade would

occur. Drilling fluids would be used to provide hydrostatic pressure to prevent formation fluids from entering into the well bore, keeping the drill bit cool and clean during drilling, carrying out drill cuttings and suspending the drill cuttings while drilling is paused and the drilling assembly is brought in and out of the hole. Plastic containers up to 10'x10' wide and 4 feet deep would be utilized to contain drill fluids consisting of water-based mud. The containers would be placed on previously disturbed ground. Containers used for this water-based mud drilling fluid containment

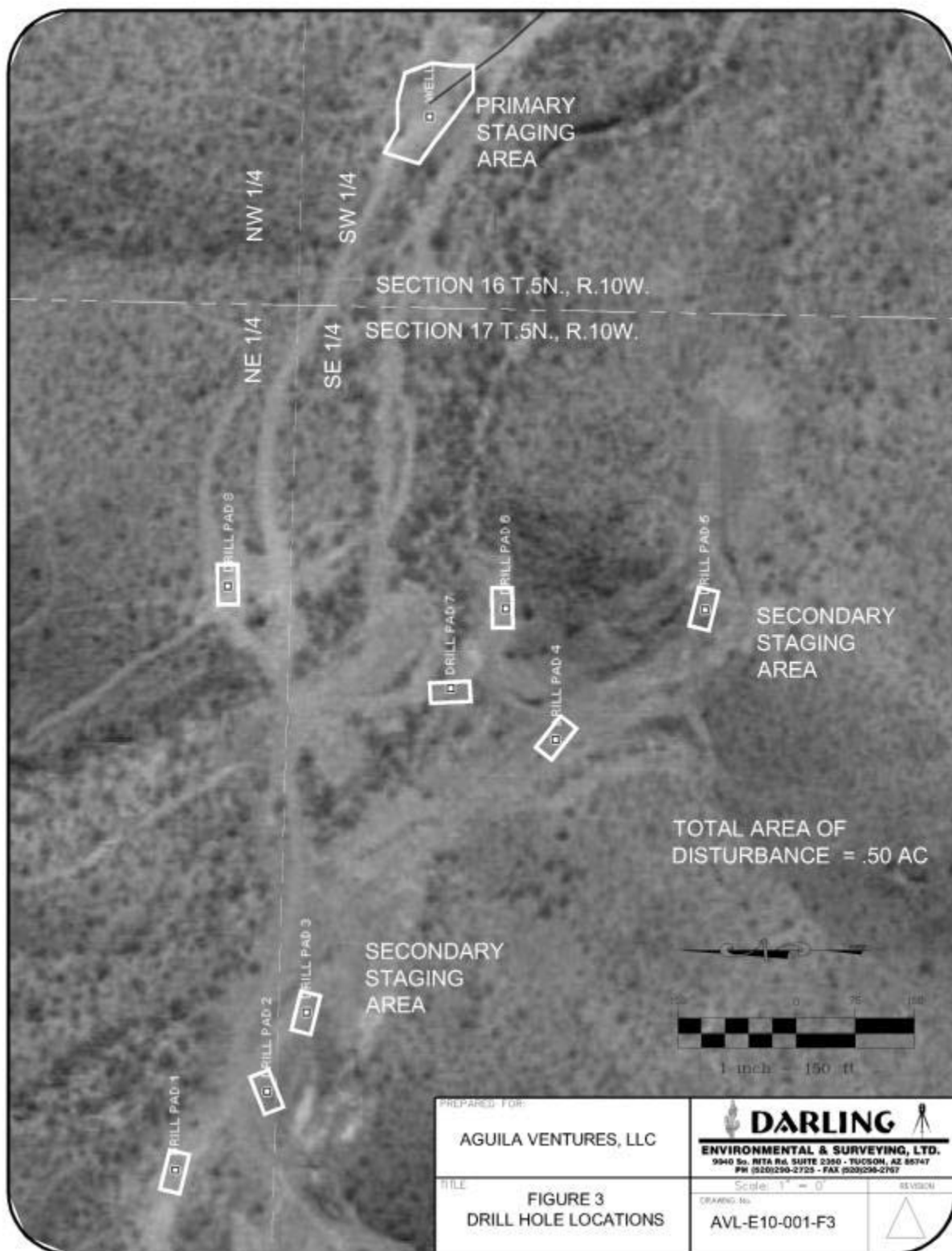


Figure 3. Proposed Drill Hole Locations

would be removed from the site once the fluid in the containers dries. Drying time is dependent on weather conditions, but is estimated to be 1–4 weeks after drilling operations cease.

There would be one (1) Longyear 44 truck mounted drill rig and associated equipment transported to this location on a trailer hauled by a standard pickup truck, one water truck, and possibly 3 or 4 personal vehicles at the beginning and end of the operation. There would also be 3 to 4 personal vehicles per work day entering and exiting the project site from the Eagle Eye Road for approximately 5 to 7 days.

The core samples removed during the drilling project would be sent to two or more independent private assay companies for analysis of mineral content.

The primary 25 x 100 feet staging area would be located on existing disturbed ground at the site of the existing water tank as displayed in the Plan of Operation. Wherever possible, previously disturbed ground would be used and no more than 10% (0.05 acres) of previously undisturbed areas would be used for the staging area. Disturbance calculations include two additional small staging areas at the east and west pits that would be used for portions of daily support operations as the drilling progresses. Water would be trucked to these locations and pumped through flexible hose or tubing to supply the drill rig. Drill personnel would park personal trucks at the aforementioned staging locations on each drilling day.

Under the Proposed Action there would be no onsite processing or facilities. Fueling, equipment repairs and maintenance would be conducted offsite. No chemicals or toxic substances would be used or stored onsite.

The proposed operation onsite would be conducted almost entirely on previously-disturbed, un-reclaimed land. Exploration drilling and concurrent reclamation would be conducted in stages, so that up to eight (8) areas, totaling less than 0.5 acres cumulatively would be sequentially drilled and reclaimed, with staging areas being reclaimed last. Reclamation would return the site to its approximate pre-disturbance contours and use.

The soil around the drill holes would be cleaned up to the same or less ambient concentrations of metals, or below the applicable Arizona non-residential Soil Remediation Levels, whichever are greater. The site would not be re-vegetated because of the lack of growth medium on the previously disturbed mine workings and roads, unless otherwise directed by BLM. The public would continue to have access to the site, through the use of fencing and warning signs or other appropriate means to safeguard the public may be placed by the project proponent, as agreed to by BLM, until reclamation is complete. The fence and signs serve to prevent: 1) the theft of equipment and core samples; and, 2) the exposure of recreational users and other members of the public to drill rig movement, water trucks, and other proposed exploration activities. The Proposed Action is described in detail in the Rambo Exploration Project Plan of Operations, a copy of which is located in the AZA-35358 case file. Please refer to that document for a full project description.

No Action Alternative: The No Action alternative would be to not approve proposed mineral exploration described in the Plan of Operations. The project proponent would leave the existing tailings stockpiles as they are and not reclaim the site.

III. AFFECTED ENVIRONMENT AND ENVIRONMENTAL CONSEQUENCES

A. CRITICAL ELEMENTS NOT AFFECTED

The following critical elements would not be affected by the Proposed Action or alternatives because they do not occur at the site of the Proposed Action or because of the nature of the Proposed Action:

1. Threatened and Endangered Species: The Endangered Species Act of 1973 requires all Federal agencies to undertake programs for the conservation of endangered and threatened species, and prohibits from authorization, funding, or carrying out any action that would jeopardize a listed species or destroy or modify its "critical habitat".

In May 25 and June 24 2010, Wildlife Biologist Mary Darling surveyed the area for threatened, endangered, proposed or special-status species of wildlife. She concluded that the area does not contain suitable habitat for any of the animals on the current USFWS list. On April 21, 2010, a BLM Wildlife Biologist also visited the site and did not note threatened and endangered species as an issue in his comments regarding the project.

2. Cultural Resources: A cultural resources inventory, consisting of Class I (records search and literature review) and Class III (100% coverage, non-disturbance, no collection) survey, was completed by Sage Landscape Architecture & Environmental, Inc. (SAGE) in June, 2010. The archaeological survey of the project area resulted in the identification of one historic mining site (AZ S:3:18 [ASM]). Features associated with the site which are adjacent to the proposed exploration area were documented in written field notes and photographed. The cultural resource report concluded that "The isolated feature and isolated artifact occurrence do not define or reflect significant cultural resources in terms of NRHP eligibility criteria, and no further avoidance and/or preservation measures are warranted in relation to the proposed undertaking (SAGE 2010).

3. Native American Religious Concerns: The results of the archaeological survey completed by SAGE, as well as existing archaeological and ethnographic information on this area, suggest that the Proposed Action would have no effect on Native American religious concerns. The Harquahala Mountains are within the known range of the Western Yavapai. The Proposed Action would not remove any prominent visual intrusions from the viewsheds of known cultural sites in this mountain range nor will it affect other Native American religious concerns.

4. Wild and Scenic Rivers: No part of the Proposed Action impacts a Wild and Scenic River, a congressionally authorized study river, or water resources below, above or on a stream tributary to a designated river or congressionally authorized study river. The Proposed Action would have no effect on wild and scenic rivers.

5. National Energy Policy: The National Energy Policy requires an evaluation of access limitations to Federal lands in order to increase energy production. The Proposed Action is a not an energy exploration or development project and has no impact on potential oil and gas exploration and development, as the area is generally unsuitable for those actions. The Proposed Action would have no effect on National Energy Policy.

6. Wetlands/Riparian Zones: Wetlands are protected under the Clean Water Act and different criteria are used by agencies to classify wetlands to reflect variation in statutory protection and management objectives. No identified wetlands or riparian zones are within or near the proposed project area. The Proposed Action would have no effect on wetlands or riparian zones.

7. Prime Farmland: The proposed project is not located on land that is currently farmed or on land that could be farmed. The Proposed Action would have no effect on Prime Farmland.

8. Environmental Justice: EPA defines Environmental Justice as the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. Fair treatment means that no group of people, including a racial, ethnic, or a socioeconomic group, should bear a disproportionate share of the negative environmental consequences resulting from industrial, municipal, and commercial operations or the execution of federal, state, local, and tribal programs and policies. The site of the Proposed Action has no residential population in the immediate area. The Proposed Action would have no effect on Environmental Justice.

9. Wilderness: There is no designated wilderness area on the site of the Proposed Action or on the access road. The nearest Congressionally designated wilderness area is the Harquahala Mountains Wilderness, within 10 miles west of the project site. The Proposed Action would have no effect on wilderness.

10. Floodplain: Maricopa County Flood Control District regulates unincorporated areas lying within the 100-year floodplain, to evaluate and control the risk of possible flood damage. The 100-year floodplain is defined as the area adjoining a watercourse that would be covered by water during a flood event having a 1 out of 100 chance of occurring in any given year. The 100 year floodplain has not been designated in this area. The Proposed Action would occur at an elevation of 2420 feet ASL and above. There are no named watercourses within a mile of the project in any direction. The Proposed Action would have no effect on floodplain.

B. CRITICAL ELEMENTS POTENTIALLY AFFECTED

The following Critical Elements are or could be affected by the Proposed Action. The potential impacts, and the mitigation measures to be used to reduce these impacts, are discussed below.

1. Wildlife / Other Than Threatened and Endangered Species – Sonoran Desert Tortoise:

On October 9, 2008 USFWS was petitioned to list the Sonoran Desert distinct population segment of the desert tortoise as Threatened or Endangered, with critical habitat under the ESA (16 U.S.C. § 1531 et seq.). On August 28, 2009 and again on December 14, 2010 the USFWS determined the Sonoran desert tortoise warranted listing but the action was precluded by other listing actions of higher priority. The USFWS will add the species to its list of candidates.

BLM has mapped the project area as “Category I Habitat” for the Sonoran desert Tortoise. As background, in 1988, the BLM developed habitat categorization guidelines as part of its

range-wide management plan for the desert tortoise (Spang et al. 1988). Desert tortoise habitat was characterized into three types (Table 1). The distinction in habitat category was based on evaluation of four criteria (Table 1); 1) importance of habitat to maintaining viable populations, 2) resolvability of conflicts, 3) desert tortoise density, and 4) population status (stable, increasing or decreasing) (Spang et al. 1988). Criterion 1 is the most important criterion in determining which category a given parcel of land falls into.

Table 1. BLM Sonoran Desert Tortoise habitat category criteria (from AIDTT 1996)

	Category I Habitat	Category II Habitat	Category III
Category Goals	Maintain stable, viable populations and protect existing tortoise habitat values; increase populations, where possible	Maintain stable, viable populations and limit further declines in tortoise habitat values	Limit tortoise habitat and population declines to the extent possible by mitigating impacts
Criterion 1	Habitat Area essential to maintenance of large viable populations	Habitat Area may be essential to maintenance of viable populations	Habitat area not essential to maintenance of viable populations
Criterion 2	Conflicts resolvable	Most conflicts resolvable	Most conflicts not resolvable
Criterion 3	Medium to high density or low density contiguous with medium or high density	Medium to high density contiguous with medium or high density	Low to medium density not contiguous with medium or high density
Criterion 4	Increasing, stable or decreasing population	Stable or decreasing population	Stable or decreasing population

The BLM wildlife biologist visited the site on April 21, 2010 and noted the following:

“It is a previously mined area with adits, tailings, many old roads and diggings. Dominant vegetation included foothills paloverde, ironwood, brittlebush, wolf berry, canyon ragweed, scorpion weed, Sahara mustard, desert lavender and creosote brush. Most of drill site occurs in or near a wash with roads and other disturbance. Upland habitat has large boulders and potential desert tortoise shelter sites. The potential desert tortoise habitat near the proposed drilling site

was surveyed for tortoise and sign. Surveying for sign was difficult due to dense vegetation. No desert tortoises or sign was observed. This proposed drilling project is not likely affect desert tortoise. However, since this is desert tortoise category I habitat, and tortoise may occupy the surrounding area, the drilling mud pits should be fenced with 1-2" mesh fencing material or the pits should have sloped sides to prevent tortoise from becoming entrapped in the pits."

Impacts of the Proposed Action: Because the Proposed Action would be conducted entirely on previously-disturbed, un-reclaimed land, it would not result in wildlife habitat loss, nor would the habitat be changed in relation to seral community, plant density or other relevant parameters. The proposed activities would not result in and direct loss of forage, breeding areas, and thermal cover. There could be short term indirect impacts from displacement of animals from the Project Area into adjacent habitats during actual drilling. There would be no fragmentation of the habitat from project implementation. The proposed drill pads and staging area do not have the potential to provide nesting habitat for migratory birds. The level of human activity associated with the exploration project would be similar to dispersed recreation (i.e., hiking, camping, hunting, snowmobiling, off road ATV riding) by being limited in duration and localized. The increased noise level from the drill rig may interfere with territorial defense by birds with territories near the drill pad. Some species would be displaced during the time that the drilling occurs. This could lead to direct mortality if the displaced individuals move into new habitats that already are occupied, creating intra-specific competition, or the displaced individuals would be vulnerable to predators until they become familiar with the new habitat.

Due to the size of the proposed disturbance (<0.5 acres) and the disbursed nature of the disturbance, the project is not likely to affect migration, foraging, or other habitats for wildlife species known to occur in the project area.

Impacts of the No Action Alternative: The No Action Alternative would have no direct impacts to wildlife in the project area. This alternative would not change the current wildlife habitat condition or the ongoing low level of human disturbances on local wildlife. The existing recreation use and livestock grazing would continue to have a minimal influence on wildlife use of the area. The existing impact is low due to remoteness of the area and BLM grazing management guidelines and range monitoring requirements.

2. Air Quality: The regulations at 43 CFR 3809.420(b)(4) require that "All operators shall comply with applicable Federal and state air quality standards, including the Clean Air Act (42 U.S.C. 1857 *et seq.*)". The proposed action is not within the mapped Maricopa County attainment, nonattainment or maintenance areas. BLM's authorization of the Proposed Action would include the requirement that Aguila Ventures LLC comply with the 43 CFR 3809 regulations.

The existing air quality is typical of the largely undeveloped regions of the western United States.

Impacts of the Proposed Action: Direct, temporary impacts to air quality would result from drilling activities. However, the impacts would be transitory and temporary, limited in duration, and would end at the completion of this drilling program. Impacts would result from fugitive dust as well as gaseous pollutants such as nitrous oxides, carbon monoxide, and sulfur dioxide. Sources of fugitive dust would include transporting people and the drill rig to and from the project

area. Sources of gaseous pollutants would include equipment exhaust emissions from light vehicles and the drill rig. If fugitive dust becomes a visible problem, the operator will utilize controls such as watering main roads and/or the use of surfactants to control fugitive dust, and preventive equipment maintenance to control vehicle emissions.

All equipment would have current pollution controls as required by the EPA during manufacture. The Proposed Action would be conducted such that the standards of Maricopa County Rule 310 are met. If necessary, water would be used to control dust from vehicles. Loads of core sample material leaving the site are solid and do not emit dust. With the required dust control measures, these emissions would be well below the *de minimis* threshold. No long-term impacts to air quality are expected under the Preferred Alternative.

Impacts of the No Action Alternative:

There would be no transitory or temporary impact to air quality from the proposed exploration drilling program under the No Action Alternative.

Dust from the occasional recreational vehicles and livestock management vehicles would continue to be periodic low level contributors to the region's air quality.

3. Wastes, Hazardous or Solid: Solid wastes, including hazardous wastes, are regulated by the Resource Conservation and Recovery Act (RCRA). No hazardous waste, garbage or industrial waste problems were noted in the project area.

Impacts of the Proposed Action: The regulations at 43 CFR 3809.420(b)(2) require that "All tailings, dumps, deleterious materials or substances, and other waste produced by the operations shall be disposed of so as to prevent unnecessary or undue degradation and in accordance with applicable Federal and state Laws." BLM's authorization of the Proposed Action would include the requirement that Aguila Ventures LLC comply with the 43 CFR 3809 regulations. On-site activities would generate less than one cubic foot of municipal waste per week, consisting of lunch waste, empty cans and cardboard boxes. This waste would be removed to an off-site waste transfer station as it is generated. The core samples taken onsite would not be considered a waste product by definition because the operator considers them to have value. Hazardous substances including flammable liquids (gasoline and diesel fuel) would be used in the exploration drilling. If a leak of a hazardous fluid were to occur it would be immediately removed with shovels and an inert absorbent material would be placed on the spill area. Additional excavation would occur to lift any contaminated absorbent until the spill area is clean. Equipment maintenance except for emergency repairs such as tire changes would be done at off-site repair and maintenance facilities. No known industrial or other wastes would be generated or accumulated. No hazardous waste would be generated on-site. The impacts from waste, hazardous or solid would be minimal and within all legal limits.

Impacts of the No Action Alternative: The No Action alternative would have no effect on solid and hazardous waste generation.

4. Water Quality, Drinking or Ground: The State of Arizona is authorized by the Environmental Protection Agency (EPA) to issue its own version of the EPA's National Pollutant Discharge Elimination System MSGP for Industrial Activities, namely, the Arizona Pollutant Discharge Elimination System (AZPDES) Storm Water Multi-Sector General Permit (MSGP) for Industrial Activities. The Arizona Department of Environmental Quality (ADEQ) requires

operators to obtain an Aquifer Protection Permit (APP) prior to the disturbance of pre-existing mill tailings. Section 404 of the Clean Water Act prohibits dredging or filling of jurisdictional waterways without a permit from the US Army Corps of Engineers. The regulations at 43 CFR 3809.420(b)(5) require that “All operators shall comply with applicable Federal and state water quality standards, including the Federal Water Pollution Control Act, as amended (30 U.S.C. 1151 *et seq.*)”. BLM’s authorization of the Proposed Action would include the requirement that Aguila Ventures, LLC comply with the 43 CFR 3809 regulations.

The area is dry, receiving about 10 inches of precipitation in a normal year. Storms can bring enough rain to cause release fine sediments from the property.

Impacts of the Proposed Action: Due to the existing roads and flat staging areas, rockiness of drill pads and staging area, virtually no grading would occur and no Storm Water Pollution Prevention Plan (SWPPP) would be necessary. There would be minimal change in water quality on or offsite in the form of siltation from roadbed runoff if roads are driven during or shortly after rain events.

Impacts of the No Action Alternative: No direct impacts to water resources would occur upon implementation of this alternative. The area would over time continue to release small quantities of fine materials from roads into local washes during and shortly after rain events. Sediments to water courses would continue to be an indirect effect of erosion currently caused by the recreational traffic within the area under the No Action Alternative.

4. Noxious Weeds: On February 3, 1999, Executive Order 13112 was signed, requiring Federal agencies whose actions may affect the status of invasive species to use relevant programs and authorities to: (i) prevent the introduction of invasive species; (ii) detect and respond rapidly to and control populations of such species in a cost-effective and environmentally sound manner; (iii) monitor invasive species populations accurately and reliably; (iv) provide for restoration of native species and habitat conditions in ecosystems that have been invaded; (v) conduct research on invasive species and develop technologies to prevent introduction and provide for environmentally sound control of invasive species; and (vi) promote public education on invasive species and the means to address them; and not authorize, fund, or carry out actions that it believes are likely to cause or promote the introduction or spread of invasive species.

No noticeable areas of noxious weeds were detected on site during field observations.

Impacts of the Proposed Action: Although unlikely, the Proposed Action could have a minor impact if seeds from noxious weeds are transported by vehicle chassis or clothing. Any weeds that can germinate in the area would be removed as part of a weed and fire fuel control strategy. Because vehicles would remain on previously disturbed ground that is not currently growing any significant vegetation due to the high rock content, virtually no impact would be expected.

Impacts of the No Action Alternative: Since the project area does not currently have noxious weeds, it appears that the No Action alternative has not had an impact to date. This may be due to the high rock content of the roadbed, area proposed for exploration drilling and adjacent staging areas. This alternative would not have any impact on noxious weeds.

5. Recreation and Travel Management: The general area is used by the public for dispersed

recreational activities, including horseback riding, off-highway vehicle (OHV) recreation, hunting and camping. There are no known horse trails within the project area although there is a non-maintained dirt road leading into the project site.

Impacts of the Proposed Action: The exploration disturbance areas associated with the project could result in a short-term, temporary reduction of recreation opportunities for hunters, OHV users, hikers and rock collectors. In the longterm, pre-exploration recreation activities would be expected to return to the area at the conclusion of exploration.

Drilling activities could create disturbances that may interfere with recreational pursuits within the area. The sight and sound of exploration activities would diminish the solitude, naturalness, primitive and unconfined recreation opportunities desired by many outdoor enthusiasts. However, the existing disturbance characteristics of the area are likely not to attract those who are looking for a natural and primitive recreational experience. There are abundant and better opportunities for this type of experience throughout the region. Those who choose recreational experiences within the project area are likely choosing it to view the mining disturbances. The proposed exploration program would not change the long term existing access to public lands within the project area for recreational uses. Some recreationists would temporarily cease using certain areas due to drilling activities.

No known annual commercial or competitive Special Recreation Permit events occur within this area, so there would be no conflicts between organized recreation events and drilling activities.

Indirect impacts may occur as a result of the drilling activity due to an increased noise level during drilling activity that may decrease the quality of the recreational activity. Residual impacts to recreational land use are not anticipated.

Impacts of the No Action Alternative: Under the no action alternative there would be no change to existing recreational opportunities.

6. Visual Resources Management (VRM): Under the existing land use plan, the project area is classified as Class II for visual resources. The objective is to maintain or improve the existing landscape character. Management activities may be seen but should not attract attention to casual visitor.

Impacts of the Proposed Action: The proposed action would not impact visual resources except during the days of actual exploration where the small truck mounted drill rig and worker vehicles would be visible. The area would look virtually the same after the exploration drilling as it does now, not attracting attention to the casual visitor. The proposed action meets the VRM objectives of the plan. The existing disturbed ground including adits would continue to be a prominent visual intrusion and disturbance of visual qualities of the natural landscape.

Impacts of the No Action Alternative: The existing disturbed ground including adits would continue to be a prominent visual intrusion and disturbance of visual qualities of the natural landscape.

7. Special Designations -- Area of Environmental Concern: The proposed action is within the Harquahala Mountains Area of Environmental Concern (ACEC). This Planning Area encompasses lands north and west of Phoenix in central western Arizona. The area includes

remote and undeveloped zones of desert and mountain ranges, as well as urban interface zones near Phoenix, Prescott, Buckeye, Wickenburg, and other communities. These lands sustain a wide range of activities and resources.

The BLM is tasked with the job of multiple use management and the sustained yield of renewable resources. In addition, the 2010 Bradshaw Harquahala Resource Management Plan (RMP) addressed the challenges of increasing demands for commodities, recreational opportunities, energy, and transportation associated with the continuing rapid growth of the Phoenix metropolitan area.

Impacts of the Proposed Action: The proposed action is in compliance with the Bradshaw Harquahala RMP. It is consistent with the goals of providing diverse recreational opportunities and public safety, while protecting sensitive natural, scenic, and cultural resources. The proposed action attempts to assist with meeting the needs and demands for potential copper commodities; while integrating ecological, economic, and social principles in a manner that safeguards the long-term sustainability, diversity, and productivity of the land.

The proposed action is compatible with the BLM objective of managing healthy rangelands and riparian and upland vegetation while providing for livestock grazing and wildlife habitat.

The proposed action is also compatible with a diverse range of motorized and non-motorized recreational activities.

Impacts of the No Action Alternative: The No action alternative would not further the RMP goal of providing needs and demands for potential copper commodities; while integrating ecological, economic, and social principles in a manner that safeguards the long-term sustainability, diversity, and productivity of the land. It is compatible with the other listed goals for the ACEC.

8. Cumulative Impacts: Cumulative impacts are the impacts on the environment which result from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions, regardless of what agency (Federal or non-Federal) or person undertakes such other actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time (40CFR1508.7).

Cumulative Impacts of the Proposed Action: The Proposed Action would not change the existing impact of inactive mining in the general area. The visual quality of the area would remain the same. Recreational opportunities, such as OHV and camping, would remain the same except during the actual exploration (less than 2 weeks). The Proposed Action would add an average of 1 or 2 personal vehicles, per work day onto nearby Eagle Eye Road for less than 2 weeks. According to the Maricopa County website, the Average Daily Traffic Count on the adjacent section of Eagle Eye Road was 267 vehicles in July 2007, when winter visitor traffic would have been at a low point. Therefore, the effect of the Proposed Action on local traffic counts would be an increase of less than 1%.

Cumulative Impacts of the No Action Alternative: Under the No Action alternative the site would continue to have visual impacts unless there was an expenditure of federal or state funds to reclaim and maintain the abandoned site. The site would continue to pose a visual intrusion that

would be visible from points in the nearby Harquahala Mountains Wilderness Area.

IV. INDIVIDUALS, ORGANIZATIONS AND AGENCIES CONSULTED

BLM Specialists, Project Proponent, and Godbe Drilling Company were consulted during preparation of this EA.

V. LIST OF PREPARERS/REVIEWERS

Jim Andersen, BLM Lands and Realty Specialist
Tom Bickauskus, BLM Travel Management Coordinator
Codey Carter, BLM Wildlife Biologist
James Holden, BLM Rangeland Management Specialist
Chris McLaughlin, BLM Archaeologist
Mary Skordinsky, BLM Outdoor Recreation Planner
Michael Rice, BLM Geologist
Leah Baker, BLM Planning and Environmental Coordinator

Darling Environmental & Surveying, Ltd. Environmental Consultant Mary Darling,
Archaeologist, Bradley Stone, Kimley-Horn & Associates (Formerly with Sage Landscape)

Appendix 1

Performance Measures for AZA-_____

1. Facilities and Equipment: All facilities and equipment on a mining claim or millsite must be appropriate and reasonably incident to prospecting, mining, or processing operations. All equipment and facilities must be presently operable, subject to the need for reasonable assembly, maintenance, repair, or fabrication of replacement parts. Facilities, methods and equipment must be appropriate to the terrain, mineral deposit, and stage of mineral development. BLM will utilize the Compliance Assessment - Safety, Health, and the Environment Protocol Manual for the Bureau of Land Management and/or the Safety and Health Management BLM Manual Handbook (H1112-1) for guidelines for the inspection of facilities (excluding residential facilities) on a mining claim. All structures used and/or occupied by a mining claimant or operator must be noted in the 3715 filing. Any structures that existed before the subject regulations, not claimed on a 3715 filing may become, at the discretion of management, the property of the United States. If an operator/claimant claims the right to possess and use a pre-existing building on his/her claim, and if this structure is determined by BLM to be historically significant, BLM may require the operator/claimant to restore the structure to its original condition. If at any time, reasonably incident activities cease, and inspections by BLM personnel reveal that observable on-the-ground activities have stopped, BLM may terminate the concurrence and order all or part of the use and occupancy to stop and be removed from the public lands. Single structures for the storage of compatible chemicals and housing of equipment or supplies will be encouraged over the use of several small outlying structures when practical. Temporary structures such as tents, campers, or trailer homes will be encouraged over the use of permanent structures such as buildings, homes or cabins. When practical, you must use flat lying areas, with low erosion potential, as the preferred site for all facilities. All operations must have at least one (1) ABC type fire extinguisher on site at all times. BLM's written concurrence for the occupancy must be kept on the mine property and presented to any BLM personnel requesting to see it. All operations must be kept neat, clean and free of debris. The facilities must present a safe work environment for the employees and facilities must be constructed to meet all applicable electrical, mechanical, safety and public health codes and/or regulations. All operations must be conducted in strict accordance with Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA) regulations and the Arizona Mining Code administered by the Arizona State Mine Inspector (SMI).

2. Vehicles: All automobiles and motor homes on mining claims or millsites must have current registration. All off-highway motor vehicles (any motorized vehicle when operated off of highways on land, water, snow, or ice) must have current registration if used on roads outside of the mining claim. BLM off-highway vehicle designations must be followed outside of the mining claim. In addition, the claimant or operator will allow no vehicle or piece of equipment to be parked or positioned in a way that impedes the normal flow of traffic.

3. Structure Condition: The exterior of all buildings (including roofs) and trailers on public lands and other related outdoor structures must be in good physical condition, well maintained, well painted or otherwise treated to protect against deterioration and kept clean and in good repair. BLM may specify paint colors to limit visual impacts. The operator is responsible to insure that all structures meet State, county, or local electrical, mechanical, safety and public health codes.

4. Chemical Storage: All chemicals must be stored, according to Department of Transportation

standards, in approved containers with proper labeling. Rusted, dented, leaking or otherwise damaged containers must be removed from the public lands. All buildings used for the storage of chemicals must be placarded and storage of reagents in quantities exceeding a 14 day supply will not be allowed. Chemical and fuel storage facilities on public lands must be used to store only those chemicals and fuels essential for mining, milling, and processing operations occurring on the public lands. Incompatible chemicals must be protected from each other and stored in a manner that does not present a hazard. All operations must be conducted in strict accordance with Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA) regulations and the Arizona Mining Code administered by the Arizona State Mine Inspector (SMI). Operators must submit a complete list of all the chemicals they plan to store on their claims or millsites with Material Safety Data Sheets. BLM through its inspection program, will monitor operations to see that only essential chemicals, in appropriate quantities, are stored on site.

5. Fuel and Petroleum Product Storage: All petroleum product storage tanks and barrels, placed above ground, must be in a bermed area. The bermed area must be lined with an impervious lining. The bermed area must be able to contain 110% of the capacity of the tank(s) and/or barrels. Facilities that store 1320 gallons of oil or more or 660 gallons in a single tank must have a Spill Prevention Control and Countermeasures Plan (SPCC) 40 CFR 112.20 (a). These plans must be developed and then approved by a registered professional engineer. The SPCC plan must determine if the facility can cause “substantial harm to the environment”. If it does, then a Facility Response Plan is also required.

6. Mobile Homes: No permanent foundations will be erected for mobile homes. No mobile home will have an enclosed deck or add-on room. Porches may be installed, but any porch will be easily removable from the mobile home. Porches will not be enclosed with any material, except for screening. Roll-up sunshades are also permitted. Mobile homes must have at least 10 feet between them.

7. Authorized Number, Types and Uses: The mine operator will not exceed the number or type of structures specified in the approved 3715 filing. All structures must be removed within the time frames stated in the 3715 filing. The operator/claimant must furnish the BLM a copy of the Aquifer Protection Permit before operations begin, whenever an APP is required.

BLM will coordinate with the claimant or operator to ensure that the number of people required to reside on a mining claim or millsite will be sufficient to perform the tasks of mining and/or milling and to provide for site security. BLM will also work with the claimant or operator to insure that only the number of people required for operations and site security will be in residence (making a home) on the claim at any time. Based on this consultation and the subsequent environmental analysis, BLM will specify the maximum number of people, including family members, that can reside on the claim for more than 14 days in any 90 day period.

8. Beginning operations: As required by Titles 18 and 27 of the Arizona Administrative Code, the claimant or operator must submit a “Notice of Start-up, Move, or Stop for Portable Equipment and Mine Operations” whenever operations begin, move or are suspended. It is the operator’s responsibility to send BLM a copy of the written notification from the Arizona State Mine Inspector that this form was received.

9. Tanks: Liquid Petroleum Gas storage, used for household purposes, will not exceed one hundred and twenty five (125) gallons at each mobile home, cabin, or house. Each tank will be installed, mounted, and maintained in a way that meets all applicable safety code provisions. At a minimum this means chained to the structure.

10. Appliances and Yard Furniture: Except water softeners, evaporative coolers and air conditioners, no household appliances of any kind will be installed or stored outside of a structure. Only furniture designed and constructed for exterior use is permitted outdoors. Tables, grills, and fire-containing devices will be repaired as necessary to assure proper function, rigidity, support and appearance.

11. Fire Prevention: Consistent with all applicable laws and subject to reclamation, vegetation must be cleared for a minimum distance of:

- 30 feet from all structures.
- 15 feet from any site on which a fire will be built and flammable ground litter must be cleared for at least a 5 foot radius around the fire.
- 15 feet from any site where welding, grinding, or any other spark producing operation will be performed.

Spark arrestors must be used on chainsaws, quad-runners and motorcycles.

12. Grounds: Grounds will be well maintained, safe, uncluttered, and free of litter and debris. All operations will provide a clean, and maintained view for the public from any roadways or thoroughfares by which the public may approach or pass mining operations on BLM lands.

13. Pets: Nonessential animals and/or free-roaming pets or animals are not allowed.

14. Waste and Sewage Handling and Removal: The term "waste" as used herein means all discarded matter including, but not limited to human waste, trash, garbage, refuse, petroleum products, ashes and equipment. Refuse will be stored in receptacles that have covers and lids, are painted, undented, waterproof, and both vermin and raven proof. Wastes will be disposed of in accordance with local laws. This should be an ongoing effort and unused equipment, trash, refuse, and litter should be removed periodically to maintain the highest aesthetic standards achievable during mining operations. The mine operator will provide an effective system for the collection and disposal of garbage and trash. This will be done by contracting with a trash removal firm, or with appropriate public entities, or through self efforts of the operator or any combination of these methods as directed by the Field Manager. Wastes shall be disposed of in a sanitary landfill unless otherwise approved by the Field Manager.

All sewage treatment facilities will be constructed and operated in accordance with all necessary permits utilizing accepted engineering practice and procedures. The operator/claimant must have a septic permit from the county in which the septic system is located before the system can be operated.

15. Public Signs: Public signs for which the operator is responsible must be appropriately located, accurate, attractive and well maintained. Permanent signs will be prepared in a professional manner, consistent with BLM standards and must be approved by BLM before installation.

16. Mine Wastes: If mined materials are removed from the public lands for processing, it will be the responsibility of the claimant or operator to insure that wastes generated in processing these materials are not hazardous materials or toxic wastes, if such wastes are to be returned to the public lands for disposal. BLM, at the discretion of the Field Manager, may require sampling of the wastes and subsequent analytic procedures to verify that such wastes are not hazardous materials or toxic wastes. The claimant or operator will pay the costs of sampling and analytic procedures.

17. Explosive Storage: All explosive storage, regardless of the class of explosive or the amount stored inside the magazine, shall meet the requirements of the Arizona Revised Statutes Title 27.

18. Fences: BLM will attempt to keep the public lands open to public entry at all times. But, where public health and safety is a primary concern or it is essential that access be limited to protect valuable mining equipment or supplies from theft or loss, BLM will authorize the placing on public lands of fences, gates, and signs to limit public access. Where public safety is a paramount concern, BLM may, at the discretion of the Field Manager, use administrative procedures to formally close the lands to public entry using the procedures specified by 43 CFR 8364.

Where fences, gates, and signs must be built and maintained for site security or for public safety, the BLM will determine, through a site inspection that such enclosures are reasonable. Should the claimant or operator be ordered to build and maintain fenced enclosures or post signs by either MSHA, OSHA or the SMI, the claimant must provide written proof of such an order to BLM before authorization is given and actual construction can begin. All fences and gates will be constructed to protect livestock and wildlife in the area. Exact specifications for fences and gates will be developed on a site-specific basis using information obtained in the biological assessment performed by BLM. Minimum requirements for fences are in the BLM Manual Handbook H-1741-1, Fencing.

Whenever fences, gates, or signs are placed on the public lands, BLM, will require the claimant or operator to post public directions on the fence or gate showing routes to public lands around or behind the fenced enclosure. The exact nature of the posting to be used will be decided on a case by case basis by the Field Manager. Whenever locked gates are used, BLM will require the claimant or operator to give BLM a key or use a system of double locks.

19. Reclamation: Regulations at 43 CFR 3809.1-1, require that all operations will be reclaimed. Occupancy site reclamation will include, but is not limited to, complete removal of all structures, regrading, replacement of topsoil or growth medium and establishing native vegetation to establish a diverse, effective, and permanent vegetative cover to reflect the post mining land use. All reclamation operations will be conducted in accordance with the BLM Solid Mineral Reclamation Handbook (H-3042-1).

20. Mitigation Measures: Aguila Ventures LLC would be required to comply with the Performance Measures outlined by BLM and found in the Finding of No Significant Impact (FONSI) for this document (Appendix 1). Aguila Ventures LLC would also be required to comply with the Performance Measures listed at 43 CFR 3809.420, as well as all applicable Federal and state environmental regulations.

Before beginning operations, Aguila Ventures LLC would be required by 43 CFR 3809.412 and §3809.551 to provide and maintain an acceptable reclamation bond and financial guarantee to BLM. Reclamation would be deemed successful when the site is returned to its approximate pre-exploration drilling condition.

Actions and Activities Not Allowed

The cultivation of crops and establishment of garden plots.

Activities including animal maintenance or pasturage. This includes the construction of corrals, chicken coups, kennels and stables.

The development of small trade or manufacturing concerns, hobby and curio shops, cafes, tourist stands, and hunting and fishing camps.

The storage, treatment, processing, or disposal of non-mineral, hazardous or toxic waste that are generated elsewhere and brought onto the public lands.

Any activities involving recycling or reprocessing of manufactured material such as scrap electronic parts, appliances, photographic film, and chemicals.

Searching for buried treasure, treasure trove or archeological specimens is strictly prohibited by the subject regulations.

Blocking access to the public lands through the placement of berms, wire cables, stones, vegetative debris or other materials placed on roads constructed on public lands.

Living in abandoned busses, truck trailers, other abandoned vehicles, adits, tunnels or caves.